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SUBJECT: MEDIA REACTION: CHINA'S ECONOMY, U.S.-CHINA ECONOMIC  
RELATIONS, CHINESE MILITARY

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Editorial Quotes  
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11. CHINA'S ECONOMY

"Europe and the United States envy China's economic trend"  
The official Communist Party international news publication Global Times (Huanqiu Shibao)(08/12): "China's July Consumer Price Index and Producer Price Index have both dropped, which shows China's economy is continuously rising. A British analyst indicates that China's economy is further developing which makes the west jealous. Mei Jun, deputy director of Finance and Securities Studies Institute at Ren Min University said that "although the economy is developing in a good direction, China's economy still doesn't have a concrete foundation." China's recently-released economic data is not only used for domestic decision-making concerning the financial crisis, but also provides important information for many western economic experts when judging the world's economy. Some conservative American think tanks doubt that China fabricates the data because it needs too. Mei believes that some Westerners have a rather complicated mentality when looking at China's economy. On the one hand, they hope China's economy will recover and assist the economic recovery of their own countries. And on the other hand, they are worried that China's economy is developing too well, too fast. They are a little jealous of China's success. To remove the world's doubts, China has changed the way it publicizes data, so that China can transmit economic information in a transparent and direct way."

12. U.S.-CHINA ECONOMIC RELATIONS

"China is no longer concerned about U.S. debt? How can Hillary say this?"

The Shanghai-based Shanghai Media Group (SMG) publication, China Business News (Diyi Caijing)(08/12): "Secretary Clinton recently told CNN that she believes that Chinese concerns over the health of the U.S. financial system have been addressed. However, China's concern over the security of its investments was not alleviated following the Strategic and Economic Dialogue. The U.S. and China did not reach any new agreements in fields other than climate change, energy and environmental cooperation. The Chinese delegation urged the U.S. to reasonably control the global supply of the USD. However, the U.S., which is in the midst of the crisis, hopes to use a relaxed currency policy to stimulate economic growth.

No signs show that the confrontation has been resolved with dialogue. Sun Lijian, professor of finance at Fudan University, said, 'We haven't yet seen signs of relief over U.S. debts.' Concerning Secretary Clinton's remarks, Sun commented that Clinton most likely said this because 'the U.S. and China probably reached a common agreement on how to handle China's foreign reserves. It is possible that the U.S. has heard China's opinion about its foreign reserves.'"

13. CHINESE MILITARY

"Chinese army needs to urgently upgrade their long-range delivery capability"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(08/12): "Currently speaking, China there is still a large gap between developed countries in long-range delivery

capability. Developing this capability has been at the top of various countries' military construction agendas. For China, upgrading their capability is not only a basic condition for being a power country, but will also ensure the stable and peaceful development of the country. As one of the most important trade and economic powers, China's merchants and ships have reached every part of the world. Without powerful long-range delivery capability, China's national and public interests can't be effectively protected. Although there are still noises in the international community about "China's military threat," China's determination to develop their long-range delivery capability will not change. It is not only China's People's Liberation Army's mission, but also a necessity for developing China's powerful national strength."

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